



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Contract Award for Modular Office Building for Electric Utility Dept.

MEETING DATE: May 6, 1992

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution awarding the contract for construction and installation of a modular office building to the second lowest bidder, Meehleis Modular Buildings, Inc., Lodi, in the amount of \$149,750.

BACKGROUND INFORMATION: On February 19, 1992, the City Council approved plans and specifications and authorized advertisement for bids. Bids were opened on March 25, 1992 with the following results:

	<u>Lease</u>	<u>Purchase</u>
Steelgard, Inc. Lathrop, CA.	\$5,482.89	\$146,116.00
Meehleis Modular Buildings, Inc. Lodi, CA	5,891.30	<u>149,750.00</u>
Modtech, Inc. Perris, CA	6,002.21	159,614.00
Designer Mobile Systems Industries, Inc. Newark, CA	6,934.23	186,000.00
Sweeley's Mobile World Modesto, CA	7,225.06	193,800.00

During the bid evaluation process, questions arose regarding the low bidder's listing of subcontractors. A letter response from the low bidder to an inquiry by the City's Architect indicated that indeed another subcontractor (floor covering), not listed on the proposal, would be utilized during the Construction. In addition, phone discussions with a listed subcontractor indicated that at least two other local contractors would be working as subcontractors to the listed subcontractor. Considering the above facts, the City's Counsel has advised that this bid must be considered a "non-responsive bid" and, therefore, award is recommended to the second lowest bidder.

APPROVED: _____

Thomas A. Peterson

THOMAS A. PETERSON
City Manager




Contract Award for Modular Office Building for Electric Utility Department
May 6, 1992
Page two

The proposal requested two payment options from the bidders, one being a purchase and the other being a lease with City ownership at the end of the lease. The lease will consist of 40 quarterly payments. The interest rate on the recommended bidder's lease proposal is approximately 10%. At present, the City is receiving at most 6% on investments and this rate is not expected to increase significantly in the foreseeable future.

The most economical option to the City is the purchase option. It is, therefore, recommended that available funding within the Department's reserves be transferred to fund this purchase.

FUNDING: Available within the Utility Outlay Reserve



Henry J. Rice
Electric Utility Director

Prepared by: Hans Hansen, Assist. Electric Utility Director

C: City Attorney
Public Works Director
Building & Maintenance Superintendent
Purchasing Officer

RESOLUTION NO. 92-79

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A RESOLUTION OF THE LODI CITY COUNCIL
AWARDING THE CONTRACT FOR MODULAR OFFICE BUILDING
FOR ELECTRIC UTILITY DEPARTMENT

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WHEREAS. in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on March 25, 1992 at 11:00 a.m. for the contract for Modular Office Building for the Electric Utility Department, described in the specifications therefor approved by the City Council on February 19, 1992; and

WHEREAS, said bids have been compared, checked. and tabulated and a report thereof filed with the City Manager as follows:

	<u>Lease</u>	<u>Purchase</u>
Steelgard. Inc. Lathrop, CA.	\$5,482.89	\$146,116.00
Meehleis Modular Buildings. Inc. Lodi. CA	5,891.30	<u>149,750.00</u>
Modtech, Inc. Perris, CA	6,002.21	159,614.00
Designer Mobile Systems Industries, Inc. Newark. CA	6,934.23	186,000.00
Sweeley's Mobile World Modesto, CA	7,225.06	193,800.00

WHEREAS. it has been determined by the City's counsel that the low bid must be considered a "non-responsive bid" and, therefore, award is recommended to the second lowest bidder; and

WHEREAS. the City Manager recommends that award *of the* contract for modular office building be made to the second lowest bidder, Meehleis Modular Buildings, Inc., Lodi;

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that award of contract for modular office building be and the same is hereby awarded to Meehleis Modular Buildings. Inc., Lodi. the second lowest bidder, in the amount of \$149,750; and

Resolution No. 92-79

Page Two

BE IT FURTHER RESOLVED. that Council hereby authorizes that available funding within the Electric Utility Department's reserves be transferred to fund this purchase.

Dated: May 6, 1992

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I hereby certify that Resolution No. 92-79 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 6, 1992 by the following vote:

Ayes: Council Members -

Roes: Council Members -

Absent: Council Members -

Alice M. Reimche
City Clerk

92-79

RES9279/TXTA.01V

RESOLUTION NO. 92-79

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A RESOLUTION OF THE LODI CITY COUNCIL
AWARDING THE CONTRACT FOR MODULAR OFFICE BUILDING
FOR ELECTRIC UTILITY DEPARTMENT

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WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on March 25, 1992 at 11:00 a.m. for the contract for Modular Office Building for the Electric Utility Department, described in the specifications therefor approved by the City Council on February 19, 1992; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

	<u>Lease</u>	<u>Purchase</u>
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WHEREAS, it has been determined by the City's counsel that the low bid must be considered a "non-responsive bid" and, therefore, award is recommended to the second lowest bidder; and

WHEREAS, the City Manager recommends that award of the contract for modular office building be made to the second lowest bidder, Meehleis Modular Buildings, Inc., Lodi;

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that award of contract for modular office building be and the same is hereby awarded to Meehleis Modular Buildings, Inc., Lodi, the second lowest bidder, in the amount of 5149.750; and

Resolution No. 92-79
Page Two

BE IT FURTHER RESOLVED. that Council hereby authorizes that available funding within the Electric Utility Department's reserves be transferred to fund this purchase.

Dated: May 6. 1992

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I hereby certify that Resolution No. 92-79 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 6, 1992 by the following vote:

Ayes: Council Members - Pennino, Sieglock. Snider and
Pinkerton (Mayor)

Noes: Council Members - None

Absent: Council Members - Hinchman

Alice M. Reimche
Alice M. Reimche
City Clerk

92-79

RES9279/TXTA.02J